

WISCONSIN'S GENERAL FUND EXCISE TAXES

A. INTRODUCTION

Wisconsin imposes excise taxes on cigarettes, tobacco products, liquor and beer. Technically, only the tax on cigarettes is an excise tax, that is, a tax on the consumer. Taxes on liquor and beer are occupational taxes imposed on the seller for the privilege of engaging in a particular business. However, these occupational taxes are generally passed on to consumers through higher prices, and so are commonly referred to as excise taxes.

Revenues from these four excise taxes are deposited in the state's general fund. The state collects additional excise taxes that are deposited in segregated funds, notably the motor vehicle fuels and alternate fuels taxes that are deposited in the transportation fund. Only general fund excise taxes will be discussed in this paper.

Current tax rates and FY02 tax collections for general fund excise taxes are shown in Table 1. In FY02, excise taxes generated \$348 million, or 3.5% of total general purpose revenue (GPR) tax. The cigarette tax, totalling \$289 million, provided 83% of general fund excise tax revenues collections (see Chart 1). Liquor and wine taxes raised \$36 million, the tobacco products tax nearly \$14 million and the beer tax just less than \$10 million in FY02.

Wisconsin has imposed one other general fund excise tax during its history, a tax on oleomargarine, which was in place from 1931 through 1973.

TABLE 1
WISCONSIN GENERAL FUND EXCISE TAXES

Tax Type	Tax Rate	FY02 Revenues (\$ millions)
Cigarettes	77 cents per pack of 20	\$288.8
Tobacco Products	25% of manufacturer's list price	13.9
Beer	\$2 per 31-gallon barrel (6.5 cents/gallon)	9.6
Distilled Spirits and Wine		36.0
Distilled Spirits	\$0.8586 per liter (\$3.25/gallon)	
Wine		
- up to 14% alcohol	\$0.06605 per liter (\$0.25/gallon)	
- 14% to 21% alcohol	\$0.1189 per liter (\$0.45/gallon)	
- over 21% alcohol	\$0.8586 per liter (\$3.25/gallon)	
Total Excise Tax Revenues		\$348.3

B. CIGARETTE TAX

Wisconsin imposes an excise tax on the sale of cigarettes equal to 77 cents per pack of 20. The tax was first imposed at a rate of 2 cents per pack in 1939, as an emergency tax. The tax was made permanent in 1949 and increased to 3 cents per pack.

As Table 2 shows, the tax rate was periodically increased during the next couple of decades, usually by 1 or 2 cents per pack, until it reached 16 cents per pack on November 5, 1971. It remained that amount until it was increased to 20 cents on August 1, 1981, and then 25 cents on May 1, 1982. There was one more increase in the 1980s, three in the 1990s and one so far in the 2000s. The last two increases have been the largest in the history of the tax, 15 cents in 1997 and 18 cents in 2001. While the long-term trend in reliance on the cigarette tax, and other excise taxes, has been downward, the recent rate increases have kept revenues between 2% and 3% of state GPR taxes, including 2.9% in FY02.

TABLE 2
CIGARETTE TAX RATES

Effective Date Of Tax Rate	Rate (Cents) Per Pack
September 15, 1939	2
July 20, 1949	3
July 1, 1955	4
July 1, 1957	5
September 1, 1961	6
August 15, 1963	8
August 1, 1965	10
September 1, 1969	14
November 5, 1971	16
August 1, 1981	20
May 1, 1982	25
September 1, 1987	30
May 1, 1992	38
September 1, 1995	44
November 1, 1997	59
October 10, 2001	77

The cigarette tax was an occupational tax until 1983, when it was converted to an excise tax so that it could be imposed on cigarette sales by Native Americans. Although cigarettes sales to Native Americans are taxable, the state refunds 70% of the tax back to the tribes for sales made to non-Native Americans and to tribal members that reside off the reservation. In addition, the state refunds 100% of the tax back to the tribes for sales made to tribal members that reside on the reservation.

Cigarette tax collections are designated for the general fund. However, on two occasions, revenues from cigarette tax increases have been earmarked for specific programs. The additional revenue from the 1955 tax increase was used to fund a low-cost housing program for veterans, and the additional revenue from the 1961 tax increase was used to pay for improvements to the state park system.

C. TOBACCO PRODUCTS TAX

The tobacco products tax, Wisconsin's newest excise tax, is imposed on the sale of cigars, chewing tobacco, smoking tobacco, and snuff, at the rate of 25% of the manufacturer's established list price, without reduction for volume or other discounts.

The tax was first imposed on October 1, 1981, at the rate of 20%. Effective December 1, 1999, the tobacco products tax was changed from an occupational tax to an excise tax. On October 1, 2001, the tax rate was raised to the current 25%.

C. TAXES ON DISTILLED LIQUOR AND WINE

Wisconsin imposes an occupational tax on the sale of both distilled spirits and wine. Current tax rates are: \$0.06605 per liter (25 cents per gallon) for wine containing up to 14% alcohol, \$0.1189 per liter (45 cents per gallon) for wine containing 14% to 21% alcohol; and \$0.8586 per liter (\$3.25 per gallon) for distilled spirits and for wine containing over 21% alcohol. The tax was converted from rates per gallon to rates per liter in 1985.

Wisconsin established its liquor taxes following the end of Prohibition. Initially these taxes were imposed at the rate of \$0.25 per gallon for wine containing up to 21% alcohol, \$1 per gallon for wine containing over 21% alcohol, and \$1 per gallon for distilled spirits. The rate history for the liquor tax is shown in Table 3 and for the wine tax is shown in Table 4.

TABLE 3
DISTILLED SPIRITS TAX RATES

Fiscal Year	Tax Rate
1934	\$1 per gallon
1948	\$2 per gallon
1964	\$2.25 per gallon
1972	\$2.60 per gallon
1982	\$3.25 per gallon
1986	\$0.8586 per liter (\$3.25 per gallon)

TABLE 4
WINE TAX RATES

Fiscal Year	Alcohol Content	Tax Rate
1934	Up to 21% Alcohol Over 21% Alcohol	\$0.25 per gallon \$1.00 per gallon
1936	Up to 14% Alcohol 14% to 21% Alcohol Over 21% Alcohol	\$0.05 per gallon \$0.10 per gallon \$1.00 per gallon
1948	Up to 14% Alcohol 14% to 21% Alcohol Over 21 % Alcohol	\$0.10 per gallon \$0.20 per gallon \$2.00 per gallon
1960	Up to 14% Alcohol 14% to 21% Alcohol Over 21% Alcohol	\$0.15 per gallon \$0.30 per gallon \$2.00 per gallon
1964	Up to 14% Alcohol 14% to 21% Alcohol Over 21% Alcohol	\$0.1688 per gallon \$0.3375 per gallon \$2.25 per gallon
1972	Up to 14% Alcohol 14% to 21% Alcohol Over 21 % Alcohol	\$0.195 per gallon \$0.39 per gallon \$2.60 per gallon
1982	Up to 14% Alcohol 14% to 21% Alcohol Over 21% Alcohol	\$0.25 per gallon \$0.45 per gallon \$3.25 per gallon
1986	Up to 14% Alcohol 14% to 21% Alcohol Over 21 % Alcohol	\$0.06605 per liter (0.25 per gallon) \$0.1189 per liter (0.45 per gallon) \$0.8586 per liter (\$3.25 per gallon)

Liquor distributors remit the tax on a monthly basis, and the tax is based upon the distributor's tax liability for the previous month. In addition to the liquor tax, distributors pay DOR an administrative fee of three cents per gallon on liquor containing 0.5% or more alcohol by volume.

D. TAX ON FERMENTED MALT BEVERAGES

Wisconsin imposes an occupational tax on the sale of fermented malt beverages (beer) at the rate of \$2 per 31-gallon barrel. The tax was first imposed in 1933, at the end of Prohibition, at the rate of \$1 per barrel. It was intended to be temporary, but was made permanent in 1943. The only increase in the tax rate occurred in 1970, when it was raised to its current rate of \$2 per 31-gallon barrel (equivalent to about 6 cents per gallon).

E. COMPARISONS WITH OTHER STATES

1. Cigarette Taxes

All 50 states and the District of Columbia impose cigarette taxes. In addition, six states – Alabama, Illinois, New Jersey, New York, Tennessee and Virginia – permitted counties and cities to levy cigarette taxes in 2002.

Table 5 presents the tax rates for a pack of 20 cigarettes, in effect on December 31, 2002. State tax rates range from a high of \$1.50 per pack in New Jersey and New York to a low of 2.5 cents per pack in Virginia. In general, the southeastern tobacco manufacturing states of Kentucky, South Carolina, North Carolina and Virginia tax cigarettes at lower rates than other states.

TABLE 5
STATE EXCISE TAX RATES ON CIGARETTES, December 31, 2002

State	Rate (\$ Per Pack)	Rank	State	Rate (\$ Per Pack)	Rank
Alabama (1)	\$0.165	45	Montana	0.180	41t
Alaska	1.000	10t	Nebraska	0.640	21
Arizona	0.580	22	Nevada	0.350	31
Arkansas (2)	0.315	34	New Hampshire	0.520	25
California	0.870	16	New Jersey	1.500	2t
Colorado	0.200	39t	New Mexico	0.210	38
Connecticut	1.110	9	New York (7)	1.500	2t
Delaware	0.240	36	North Carolina	0.050	49
Florida	0.339	32	North Dakota	0.440	27
Georgia	0.120	46t	Ohio	0.550	23t
Hawaii (3)	1.200	8	Oklahoma	0.230	37
Idaho	0.280	35	Oregon	1.280	6
Illinois (4)	0.980	14	Pennsylvania	1.000	10t
Indiana	0.555	23t	Rhode Island	1.320	5
Iowa	0.360	29t	South Carolina	0.070	48
Kansas (3)	0.700	18	South Dakota	0.330	33
Kentucky (5)	0.030	50	Tennessee (8)	0.200	39t
Louisiana	0.360	29t	Texas	0.410	28
Maine	1.000	10t	Utah	0.695	19
Maryland	1.000	10t	Vermont (3)	0.930	15
Massachusetts	1.510	1	Virginia (9)	0.025	51
Michigan	1.250	7	Washington	1.425	4
Minnesota	0.480	26	West Virginia	0.170	43t
Mississippi	0.180	41t	Wisconsin	0.770	17
Missouri (6)	0.170	43t	Wyoming	0.120	46t
			Dist. of Columbia	0.650	20

t = tie

- (1) There are additional local taxes of 1 cent to 6 cents in Alabama.
- (1) Arkansas imposes an enforcement and administrative fee of \$1.25 per 1,000 cigarettes.
- (2) Three states have enacted tax increases taking effect in 2003 or 2004: Hawaii a 20-cent increase on July 1, 2004, and Kansas a 9-cent increase and Vermont, a 26-cent increase, both on July 1, 2003.
- (3) There are additional local taxes of 10 to 15 cents in Illinois.
- (4) Kentucky imposes an enforcement and administrative fee of 1 cent per pack.
- (5) There are additional local taxes of 4 to 7 cents in Missouri.
- (6) New York City imposes an additional \$1.50 tax.
- (7) There are additional local taxes of 1 cent in Tennessee. The state also imposes an enforcement and administrative fee of 5 cents per pack.
- (8) There are additional local taxes of 2 to 15 cents in Virginia.

Source: Compiled by Wisconsin Department of Revenue from Federation of Tax Administrators data.

Wisconsin's 77-cent rate was 17th highest among the 50 states and the District of Columbia. Wisconsin's rate was higher than those in Iowa (36 cents) and Minnesota (48 cents), but lower than the rates in Illinois (98 cents) and Michigan (\$1.25).

During 2002, 19 states and one city enacted increases in cigarette tax rates, largely in response to the economic slowdown and the need to increase tax revenues. Three states – Hawaii, Kansas and Vermont – had two increases each. Rate increases enacted during 2002 are shown in Table 6. Most of the increases took effect during 2002, although Kansas and Vermont enacted increases for 2003 and Hawaii for 2004.

TABLE 6
STATE AND LOCAL
CIGARETTE TAX INCREASES, 2002

State	Increase Per Pack	New Rate/ Pack of 20	Effective Date
Connecticut	0.61	1.110	4/3/02
Hawaii	0.20	1.200	10/1/02
Hawaii	0.20	1.400	7/1/04
Illinois	0.40	0.980	7/1/02
Indiana	0.40	0.555	7/1/02
Kansas	0.46	0.700	7/1/02
Kansas	0.09	0.790	7/1/03
Louisiana	0.12	0.360	8/1/02
Maryland	0.34	1.000	7/1/02
Massachusetts	0.75	1.510	7/25/02
Michigan	0.50	1.250	8/1/02
Nebraska	0.30	0.640	10/1/02
New Jersey	0.70	1.500	7/1/02
New York City	1.42	1.500	7/2/02
New York State	0.39	1.500	4/3/02
Ohio	0.31	0.550	7/1/02
Oregon	0.60	1.280	11/1/02
Pennsylvania	0.69	1.000	7/15/02
Rhode Island	0.32	1.320	5/1/02
Tennessee	0.07	0.200	7/15/02
Utah	0.18	0.695	5/6/02
Vermont	0.49	0.930	7/1/02
Vermont	0.26	1.190	7/1/03

Source: Federation of Tax Administrators

New York City enacted the largest increase, raising its tax by \$1.42 to \$1.50 per pack. New York State also raised its cigarette tax, by 39 cents to \$1.50, so the combined state and city rate in New York City is now \$3 per pack. The largest state increase was in Massachusetts, by 75 cents per pack to \$1.51. Vermont's two increases totalled 75 cents per pack, a 49-cent increase effective in 2002 and a 26-cent increase taking effect in 2003. Tennessee had the lowest increase, by 7 cents to 20 cents per pack.

2. Tobacco Products Taxes

Forty-one states impose a tax on tobacco products based on a percentage of price – the price charged by the manufacturer in 11 states (including Wisconsin), the wholesale

price in 30 states. Two states, Alabama and Arizona, impose taxes based on the number of cigars or ounces of tobacco. Four states, Georgia, North Dakota, Oklahoma and Texas, tax some tobacco products as a percentage of price and others per unit or volume sold. Three states, Kentucky, Pennsylvania and Virginia, do not have a tobacco products tax.

Table 7 summarizes the tobacco products taxes in the 47 states imposing those taxes. Among states imposing the tax as a percentage of price, Washington has the highest tax rate, 129.42% of the wholesale price; South Carolina's 5% (of manufacturer's price) is the lowest rate. Wisconsin's neighbors all impose their tobacco taxes on the wholesale price, Illinois at 18%, Iowa at 22%, Michigan at 16% and Minnesota at 35%.

3. Liquor and Wine Taxes

Thirty two states and the District of Columbia are classified as license states, which license entities to sell liquor and impose excise taxes on their sales. The 18 remaining states are liquor monopoly states where the government maintains complete or partial control over the sale of liquor and generates revenue through taxes, fees and profits from sales.

Table 8 shows liquor excise taxes as of January 1, 2002, for the license states and for the District of Columbia. Tax rates ranged from \$9.53 per gallon in Florida on liquor with an alcohol content exceeding 55.78% to \$0.25 per gallon in Kentucky on liquor containing less than 6% alcohol. Both Minnesota, at \$5.03 per gallon, and Illinois, at \$4.50, had tax rates higher than Wisconsin's \$3.25. Iowa and Michigan are monopoly states.

Forty-six states and the District of Columbia impose an excise tax on the sale of wine. Four states - New Hampshire, Pennsylvania, Utah and Wyoming - have state wine monopolies. Table 9 shows the wine rates as of January 1, 2002. Ignoring special rates, in some states, on sparkling wine and on wine with high or low alcohol content, Florida had the highest tax rate (\$2.25 per gallon), Louisiana the lowest (11 cents per gallon). Only Louisiana, New York (19 cents) and California (20 cents) had rates lower than Wisconsin's 25-cent per gallon rate. Wisconsin's neighbors all had higher rates - \$1.75 in Iowa, \$0.73 in Illinois, \$0.51 in Michigan and \$0.30 in Minnesota.

4. Beer

All states impose a beer tax, and Table 10 shows rates in effect on January 1, 2002. Wyoming had the lowest tax, 2 cents per gallon, while Hawaii had the highest rate, 92 cents per gallon. Wisconsin and Missouri, at 6 cents per gallon, had the next lowest tax rates after Wyoming. Rates in neighboring states were 18.5 cents per gallon in Illinois, 19 cents in Iowa, 20 cents in Michigan and 15 cents in Minnesota.

TABLE 7
STATE TAX RATES ON OTHER TOBACCO PRODUCTS, JANUARY 1, 2002

State	Tax Rate/Base (1)	State	Tax Rate/Base (1)
Alabama		Michigan	16% Wholesale Price
Cigars (2)	1.5¢-20.25¢/ 10 cigars	Minnesota	35% Wholesale Price
Tobacco/Snuff	0.6¢-4..4¢/ ounce	Mississippi	15% Manufacturer's Price
Alaska	75% Wholesale Price	Missouri	10% Manufacturer's Price
Arizona		Montana	12.5% Wholesale Price
Cigars (2)	6.5¢-64¢/10 cigars	Nebraska	15% Wholesale Price
Tobacco/Snuff	6.5¢/ounce	Nevada	30% Wholesale Price
Arkansas	23% Manufacturer's Price	New Hampshire	21.6% Wholesale Price
California (3)	56.65% Wholesale Price	New Jersey (6)	48% Wholesale Price
Colorado	20% Manufacturer's Price	New Mexico	25% Manufacturer's Price
Connecticut (5)	20% Wholesale Price	New York	20% Wholesale Price
Delaware	15% Wholesale Price	North Carolina	2% Wholesale Price
Florida		North Dakota	
Tobacco/Snuff	25% Wholesale Price	Cigars & Tobacco	28% Wholesale Price
Georgia		Chew Tob/Snuff	16¢-60¢/ounce
Little Cigars	2.0¢/10 cigars	Ohio	17% Wholesale Price
Other Cigars	13% Wholesale Price	Oklahoma	
Hawaii	40% Wholesale Price	Cigars (2)	9.0¢-30.0¢/ 10 cigars
Idaho	40% Wholesale Price	Tobacco/Snuff	30%-40% factory list price
Illinois	18% Wholesale Price	Oregon	65% Wholesale Price
Indiana	15% Wholesale Price	Rhode Island	20% Wholesale Price
Iowa	22% Wholesale Price	South Carolina	5% Manufacturer's Price
Kansas	10% Manufacturer's Price	South Dakota	10% Wholesale Price
Louisiana		Tennessee	6% Wholesale Price
Cigars	8%-20% Manuf. Price	Texas	
Tobacco/Snuff	33% Manufacturer's Price	Cigars (2)	1.0¢-15.0¢/10 cigars
Maine		Tobacco/Snuff	35.213% Manuf. Price
Chewing Tob./Snuff	62% Wholesale Price	Utah	35% Manufacturer's Price
Smoking Tob./Cigars	16% Wholesale Price	Vermont	41% Manufacturer's Price
Maryland	15% Wholesale Price	Washington	129.42% Wholesale Price
Massachusetts		West Virginia	7% Wholesale Price
Smokeless Tob.	75% Wholesale Price	Wisconsin	25% Manufacturer's Price
Smoking Tob./Cigars	15% Wholesale Price	Wyoming (4)	20% Wholesale Price

(1) The volume-based tax rates were converted to cents per 10 cigars or per ounce for consistency.

(2) Tax rate on cigars varies based on the selling price.

(3) Tax rate is adjusted annually by the state, effective July 1 of each year.

(4) Snuff tobacco taxed at 40 cents per ounce.

(5) Tax rate scheduled to decrease to 30% on 2/1/02.

(6) Or 10% of the retail price.

Source: Federation of Tax Administrators

TABLE 8
STATE TAX RATES ON LIQUOR, JANUARY 1, 2002

State	Rate (\$ per gallon)	Comments(1)	State	Rate (\$ per gallon)	Comments(1)
Alaska	\$5.60	<21%: \$0.85	Minnesota (9)	5.03	
Arizona	3.00		Missouri	2.00	
Arkansas (2)	2.50	<5%: \$0.50 5-21%: \$1.00	Nebraska	3.00	
California	3.30	>50%: \$6.60	Nevada	2.05	<14%: \$0.40 14-21%: \$0.75
Colorado	2.28		New Jersey	4.40	
Connecticut	4.50	<7%: \$2.05	New Mexico	6.06	
Delaware	3.75	<25%: \$2.50	New York (10)	6.44	<24%: \$2.54
Florida (3)	6.50	<17.259%: \$2.25 >55.780%: \$9.53	North Dakota (11)	2.50	
Georgia (4)	3.79	Local tax of \$0.83	Oklahoma (12)	5.56	
Hawaii	5.92		Rhode Island	3.75	
Illinois (5)	4.50	<20%: \$0.73	South Carolina (13)	2.72	
Indiana	2.68	<15%: \$0.47	South Dakota (14)	3.93	<14%: \$0.93
Kansas (6)	2.50		Tennessee (15)	4.00	<7%: \$1.10
Kentucky (7)	1.92	<6%: \$0.25	Texas (16)	2.40	
Louisiana	2.50	<6%: \$0.32	Wisconsin	3.25	
Maryland	1.50		Dist. of Columbia	1.50	
Massachusetts (8)	\$4.05	<15%: \$1.10 >50%: \$4.05			

- (1) "%" indicates level of alcohol content. Rates are per gallon unless otherwise indicated.
- (2) Arkansas imposes additional taxes of \$0.20 per case and of 3% for off-premise and 14% for on-premise consumption.
- (3) Arkansas imposes a 6.67¢ per ounce on-premise retail tax.
- (4) Georgia also has a local tax of \$0.83 per gallon.
- (5) In Illinois, there are additional local taxes of \$0.50 per gallon in Chicago and \$1.00 per gallon in Cook County.
- (6) Kansas imposes an 8% off-premise retail tax and a 10% on-premise retail tax.
- (7) Kentucky also imposes a tax of \$0.05 per case and a 9% wholesale tax.
- (8) Massachusetts imposes a 0.57% tax on private club sales.
- (9) Minnesota imposes a \$0.01 per bottle tax (except on miniatures) and a 9.0% sales tax.
- (10) In New York, there is an additional \$1.00 per gallon in New York City.
- (11) In North Dakota, there is an additional 7% state sales tax.
- (12) Oklahoma imposes taxes for on-premise consumption of 12% plus \$1.00 per bottle.
- (13) South Carolina also imposes a tax of \$5.36 per case and a 9% surtax.
- (14) South Dakota also imposes a 2% wholesale tax.
- (15) Tennessee also imposes taxes of \$0.15 per case and 15% for on-premise consumption.
- (16) Texas imposes a 14% tax on on-premise sales and a tax of \$0.05 per drink on airline sales.
- (17) The District of Columbia imposes an 8% off-premise and 10% on-premise tax.

Source: Federation of Tax Administrators

TABLE 9
STATE TAX RATES ON WINE, JANUARY 1, 2002

State	Rate (\$ per gallon)	Comments(1)	State	Rate (\$ per gallon)	Comments(1)
Alabama	1.70	>14%: sold in state store	Missouri	0.36	
Alaska	0.85		Montana	1.06	>16%: sold in state stores
Arizona	0.84		Nebraska	0.75	>14%: \$1.35
Arkansas (2)	0.75	<5%: \$0.25	Nevada	0.40	14-22%: \$0.75 >22%: \$2.05
California	0.20	Sparkling wine: \$0.30	New Jersey	0.70	
Colorado	0.32		New Mexico	1.70	>14%: \$6.06
Connecticut	0.60	>21% and sparkling wine: \$1.50	New York	0.19	
Delaware	0.97		North Carolina	0.79	>17%: \$0.91
Florida (3)	2.25	>17.259%: \$3.00 Sparkling wine: \$3.50	North Dakota (10)	0.50	>17%: \$0.60 Sparkling wine: \$1.00
Georgia (4)	1.51	>14%: \$2.54	Ohio	0.32	>14%: \$1.00 Vermouth: \$1.10 Sparkling wine: \$1.50
Hawaii	1.36	Sparkling wine: \$2.09 Wine coolers: \$0.84	Oklahoma (11)	0.72	>14%: \$1.44 Sparkling wine: \$2.08
Idaho	0.45		Oregon	0.67	>14%: \$0.77
Illinois (5)	0.73	>20%: \$4.50	Rhode Island	0.60	Sparkling wine: \$0.75
Indiana	0.47	>21%: \$2.68	South Carolina (12)	0.90	
Iowa	1.75	<5%: \$0.19	South Dakota	0.93	14-20%: \$1.45 >21% and sparkling wine: \$2.07
Kansas (6)	0.30	>14%: \$0.75	Tennessee (14)	1.10	
Kentucky (7)	0.50		Texas (15)	0.20	>14%: \$0.408 Sparkling wine: \$0.516
Louisiana	0.11	14-24%: \$0.23 >24% and sparkling wine: \$1.59	Vermont (16)	0.55	>16% - sold in state store
Maine (8)	0.60	>15.5%: sold in state stores Sparkling wine: \$1.25	Virginia	1.51	<4%: \$0.2565 >14%: sold in state store
Maryland	0.40		Washington	0.87	>14%: \$1.72

TABLE 9 (continued)
STATE TAX RATES ON WINE, JANUARY 1, 2002

State	Rate (\$ per gallon)	Comments(1)	State	Rate (\$ per gallon)	Comments(1)
Massachusetts	0.55	Sparkling wine: \$0.70	West Virginia (17)	1.00	
Michigan	0.51	>16%: \$0.76	Wisconsin	0.25	>14%: \$0.45
Minnesota (9)	0.30	14-21%: \$0.95 21-24% and sparkling wine: \$1.82	Dist. of Columbia	0.30	>14%: \$0.40 Sparkling wine: \$0.45
Mississippi	0.35	>14% and sparkling wine sold in state stores			

- (1) "%" indicates level of alcohol content. Rates are per gallon unless otherwise indicated
- (2) Arkansas imposes additional taxes of \$0.05 per case, 3% for off-premise sales and 10% for on-premise sales.
- (3) Florida imposes a 6.67 cent per 4 ounces on-premise retail tax.
- (4) There is a \$0.83 per gallon local tax in Georgia.
- (5) In Illinois, there are additional local taxes of \$0.30 per gallon in Chicago and \$0.16 to \$0.30 per gallon in Cook County.
- (6) Kansas imposes taxes of 8% on off-premise and 10% on on-premise sales.
- (7) Kentucky imposes a 9% wholesale tax.
- (8) Maine imposes an additional 5% on-premise sales tax.
- (9) Minnesota imposes a \$0.01 per bottle (except for miniatures) and a 9.0% sales tax
- (10) North Dakota imposes an additional 7% state sales tax.
- (11) Oklahoma imposes on-premise sale taxes of 12% and \$1.00 per bottle.
- (12) South Carolina imposes an \$0.18 per gallon additional tax.
- (13) South Dakota imposes a 2% wholesale tax.
- (14) Tennessee imposes additional taxes of \$0.15 per case and 15% on on-premise sales.
- (15) Texas imposes taxes of 14% on on-premise sales and \$0.05 per drink on airline sales.
- (16) Vermont imposes a 10% on-premise sales tax.
- (17) There is a 5% local tax in West Virginia.
- (18) The District of Columbia imposes an 8% off-premise and 10% on-premise sales tax.

Source: Federation of Tax Administrators

TABLE 10
STATE TAX RATES ON BEER, JANUARY 1, 2002

State	Rate (\$ per gallon)	Comments(1)	State	Rate (\$ per gallon)	Comments(1)
Alabama	\$0.530	\$0.52 local tax	Nebraska	\$0.230	
Alaska	0.350		Nevada	0.090	
Arizona	0.160		New Hampshire	0.300	
Arkansas (2)	0.230	<3.2%: \$0.16	New Jersey	0.120	
California	0.200		New Mexico	0.410	
Colorado	0.080		New York (11)	0.135	
Connecticut	0.190		North Carolina	0.530	\$0.48 for bulk beer
Delaware	0.160		North Dakota (12)	0.160	\$0.08 for bulk beer
Florida (3)	0.480		Ohio	0.180	
Georgia	0.480	\$0.53 local tax	Oklahoma (13)	0.400	<3.2%: \$0.36
Hawaii	0.920	\$0.53 for draft beer	Oregon	0.080	
Idaho	0.150	>4%: \$0.45	Pennsylvania	0.080	
Illinois (4)	0.185		Rhode Island (14)	0.100	
Indiana	0.120		South Carolina	0.770	
Iowa	0.190		South Dakota	0.270	
Kansas (5)	0.180		Tennessee (15)	0.130	
Kentucky (6)	0.080		Texas (16)	0.190	>4%: \$0.198
Louisiana	0.320	\$0.048 local tax	Utah	0.350	>3.2%: sold in state store
Maine (7)	0.350		Vermont (17)	0.265	6-8%: \$0.55
Maryland (8)	0.090		Virginia	0.260	
Massachusetts (9)	0.110		Washington	0.261	
Michigan	0.200		West Virginia	0.180	
Minnesota (10)	0.150	<3.2%: \$0.077	Wisconsin	0.060	
Mississippi	0.430		Wyoming	0.020	
Missouri	0.060		Dist. of Columbia	0.090	
Montana	0.140		(18)		

- (1) "%" indicates level of alcohol content. Rates are per gallon unless otherwise indicated.
- (2) Arkansas imposes additional taxes of \$0.008 per gallon and 3% for off-premise sales, and 10% for on-premise sales.
- (3) Florida imposes an on-premise retail tax of 2.67¢ per 12 ounces.
- (4) In Illinois, there are additional local taxes of \$0.16 per gallon in Chicago and \$0.06 per gallon in Cook County.
- (5) Kansas imposes additional taxes of 8% for off-premise and 10% for on-premise sales when alcohol content exceeds 3.2%, and 4.25% for beer with lower alcohol content.
- (6) Kentucky also imposes a 9% wholesale tax.
- (7) Maine imposes an additional 5% on-premise tax.
- (8) In Maryland, there is a \$0.2333 per gallon local tax in Garrett County.
- (9) Massachusetts imposes a tax of 0.57% on private club sales.
- (10) Minnesota imposes an additional 9.0% tax.
- (11) New York City imposes a tax of \$0.12 per gallon.
- (12) North Dakota imposes an additional 7% tax.
- (13) Oklahoma imposes additional taxes of 12% plus \$1.00 per case for on-premise sales.
- (14) Rhode Island also imposes a \$0.04 per case wholesale tax.
- (15) Tennessee also imposes a 17% wholesale tax.
- (16) Texas imposes a 14% on-premise tax and a \$0.05 per drink tax on airline sales.
- (17) Vermont imposes a 10% on-premise tax.
- (18) The District of Columbia imposes additional taxes of 8% for off-premise and 10% for on-premise sales.

Source: Federation of Tax Administrators